Globalization and the rise of precarious employment: the new frontier for workplace health promotion

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Abstract: Global market integration over the past three decades has led to labour market restructuring in most countries around the world. Employment flexibility has been emphasized as a way for employers to restructure their organizations to remain globally competitive. This flexibility has resulted in the growth of precarious employment, which has been exacerbated by the global financial crisis and resulting recession in 2007/2008, and the ongoing economic uncertainty throughout much of the world. Precarious employment may result in short and long-term health consequences for many workers. This presents a deeper and more structural determinant of health than what health promoters have traditionally considered. It calls for a different understanding of workplace health promotion research and intervention that goes beyond enabling healthier lifestyle choices or advocating safer workplace conditions to ensuring adequate social protection floors that provide people with sufficient resources to lead healthy lives, and for advocacy for taxation justice to finance such protection. (Global Health Promotion, 2014; 21(2): 23–31).

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Introduction

The increase in ‘flexibility’ in labour markets has changed the landscape for many workers in countries around the world. Flexibility can be seen as ‘reducing the constraints on the movement of workers into and out of jobs previously constrained by labour laws, union agreements, training systems, or labour markets that protect workers income and job security’ (1). This ‘flexibilization’ has resulted in a workforce that is increasingly insecure as more workers find themselves in precarious work arrangements (2,3). The growth of precarious working conditions is related to the wave of neoliberal policies implemented since the early 1980s, with its emphasis on deregulation and flexibilization of labour markets, with little regard for the potential health consequences (4). The recent and ongoing global financial crisis has further exacerbated precarious employment conditions worldwide, making a discussion about the health impacts of precarious employment all the more pertinent.

Labour market insecurity may have significant implications for the health of workers, as employment conditions are a key dimension of their health and well-being. In this article, we argue that there is a need for critical health promotion research and practice to: (a) examine the changes in the employment relationship; (b) locate these changes within shifts in economic policy and practices; (c) review and promote the policy tools available to alleviate the insecurity many workers are experiencing; and (d) continue to advocate for labour and social protection policies in which health (and health equity) are given full consideration (‘health in all policies’). We begin by briefly...
explaining the driving force that is transforming labour markets. We then describe existing knowledge in regards to the employment relationship and health. Finally, we provide examples of measures that have been taken to reduce workers’ insecurity throughout the world, and some areas where future research is needed, while identifying fundamental policy priorities for public health activists to advance.

Transforming labour markets in the developed world

Globalization describes a complex set of processes by which countries, peoples, economies and cultures are becoming increasingly interconnected. Global market integration, a driving force behind the contemporary (post-1970s) neoliberal era of globalization (5), has restructured the composition of the labour force. Promoted by governments and corporations as a necessary step to ensure sustainable economic growth, ‘flexibility’ in the labour force has arisen as employers seek the ability to alter the size and structure of their workforce to keep pace with the changing demands of the global economy (6). The ‘flexibility drive’, as noted by Guy Standing, ‘is a way of making the labour relationship more responsive to demand and supply, as measured by its price, the wage’ (7). While descriptively accurate, this anodyne definition veneers the fact that labour market flexibility is of primary benefit to employers seeking to maximize return on profits by decreasing costs of production; and that global competitive pressures leading to the ‘flexibility drive’ in developed economies arose from technology gains in production and the outsourcing of manufacturing industries to low-wage nations, made possible through trade and investment liberalization treaties. This does not imply that non-standard employment is restricted to high-income nations whose companies participated in such outsourcing. Indeed, many urban centers in emerging economies (such as Brazil, India and South Africa) have experienced declines in their formal industrial employment after they opened their borders to global market competition (8). This global labour market trend has given rise to a new term, the ‘precariat’ (7), described as a global ‘class-in-the-making’ characterized by people ‘working in short-term jobs, without recourse to stable occupational identities or careers, without reliable social protection support and without protective regulations.’ (9).

In high-income countries, flexibility of labour markets results in an increase in diverse contractual forms such as temporary, part-time, and self-employed workers (9). Flexibility has also been reflected in varying work schedules, multiple job holdings, wage depreciation, and a shift in the nature of work-careers. In addition, two-tiered systems of remuneration are increasingly arising in the remaining sectors of industrial production, characterized by lower pay and fewer benefits for younger workers. Notably, in many low- and middle-income countries that are experiencing some economic growth, partly through outsourcing of manufacturing and service sector jobs from high-income countries, much of this employment remains in the informal and insecure labour market sector (8,11). For example, 57% of all employment in Latin American cities resides in the ‘informal’ (underpaid, lower paid, insecure) sector (12), and while extreme poverty has fallen in this region over the past decade, almost 40% of the population are described by the World Bank as a ‘vulnerable class,’ living precariously between the more destitute poor and the marginal middle-class (13).

Earlier standard employment arrangements in high-income countries were associated with social benefits, security, adequate if modest income, and various other entitlements. These arrangements are increasingly shifting towards one in which employers are reducing their commitments (including benefits, career training opportunities and other entitlements) to their workers (2). The responsibility and costs for training, extended health care, and pensions are being shifted to individual workers, often sold as increasing choice while in fact transferring risk and creating new financial burdens for workers and their families.

As with previous economic downturns, the most recent recession that followed the 2007/08 global financial crisis appears to be increasing deviations from the standard employment relationship. Our review of employment trends in Canada plots this trend against past and current recessions (14) (Figure 1), while many European countries have resorted to policies that further de-regulate labour markets in their attempt to regain access to credit markets in the wake of the festering sovereign debt crisis (15). This
pattern of increasing precariousness in the labour markets during a time of global financial uncertainty is not isolated to the developed world. Recent work by UNICEF and the International Labour Organization finds that this pattern is globalizing as many low- and middle-income countries affected by post-crisis economic contraction adopt austerity programs and labour market reforms similar to those in high-income countries (9,16). Some exceptions can be found in South America, where several countries have substantially enhanced social protection spending to compensate for global economic contractions and, in doing so, have begun to reverse the trend of rising income inequalities that characterize most of the developed, high-income countries (17). All that considered, the growth of precarious employment conditions related to the global financial crisis will have largely undesirable (and in most cases long-term) health consequences for workers, as documented by a growing body of literature that has attempted to untangle the multiple links and pathways between employment conditions and health.

Precarious employment and health

Fair employment and decent work have been identified by the World Health Organization as an important social determinant of health (18). Work in its optimal form can provide financial security, social relations, self-esteem, personal development, and many other health-promoting attributes. Often referred to in policy discourse as 'labour market attachment', work is considered axiomatic in promoting social inclusion (19). Full (or at least fuller) employment at adequate wage levels is also essential to sustaining the 'real economy' of production and consumption, since it is waged workers who comprise the bulk of the consumers of goods and services the economy produces.

It is widely documented that being unemployed is associated with various adverse health outcomes (20). Most OECD countries have unemployment rates that are still higher than pre-crisis levels, with a few with exceptionally high levels such as Spain and Greece (21). Although there is much to be concerned about regarding the high unemployment...
rates in high-income countries (and especially for youth in the 15–30 age group), it is an incomplete indicator of both workers' health and a healthy economy if the alternative on offer is precarious employment. Workers in precarious arrangements often report poor mental health status similar to that of persons who have become unemployed, with some evidence suggesting that chronic job insecurity may be more health-damaging than actual job loss (22).

**Job insecurity**

Employment characteristics such as job insecurity have long been associated with various adverse health outcomes. It is believed that job insecurity acts as a chronic stressor that operates through endocrinological pathways, leading to a wide range of morbidities. Whether measured through self-reporting or externally attributed (workers selected for study based on pending cutbacks or work closures), job insecurity has been repeatedly shown to be associated with poor psychological health outcomes such as anxiety and depression (23). Furthermore, many studies have demonstrated a dose-response relationship (the greater the perceived insecurity, the larger the increase in psychosocial health outcomes) (22). However, as Ferrie et al. (23) suggest, ‘a dose-response relationship would be observed whether job insecurity increased psychological ill health or ill health increased the likelihood of reporting job insecurity’, thus, ‘additional evidence is required to determine the direction of the causal association’. Studies with longitudinal designs have attempted to clarify this distinction by controlling for baseline health measurements and other explanatory factors; however, uncertainty remains regarding the magnitude of effect and clinical relevance (24). There is also evidence that job insecurity is associated with adverse physical health outcomes such as workplace injuries and accidents, possibly through detrimental effects on employee safety, motivation, and safety compliance (25,26). For a detailed review of the physical and psychological health outcomes associated with job insecurity, see Ferrie et al. (23).

The extent of health-related risks attributed to workers in precarious employment can be visualized on a continuum, based on the combination of various health-damaging characteristics related to the employment relationship (inadequate income, lack of control), personal characteristics and attributes (personality traits, personal coping strategies), and other mediating factors (spousal support, pension from previous employment) that may minimize the workers’ overall health risks. In particular, workers who are involuntarily involved in precarious employment have a greater risk for ill health. For example, a recent study examining workers in temporary contracts distinguished between two types of workers: those workers ‘with no desire for a permanent job’ and workers ‘unable to find a permanent job’. The results suggest that after adjusting for various background, health, and work-related factors, workers deemed ‘involuntary’ had a 2.5 times increased risk of all-cause mortality in comparison with workers who were in temporary contracts voluntarily (27). This finding is of particular concern in light of employment changes since the financial crisis in 2007/2008. In Canada, for example, the proportion of ‘involuntary’ part-time workers increased from 7% in 2007 to 10.6% in 2012, peaking at 11.2% in 2010 (authors’ calculations from Statistics Canada CANSIM table 282-0014). This pattern is repeating itself through much of the world (16).

Moreover, Tompa et al.’s (28) theoretical framework highlights two other key pathways in which stress related to precarious employment experiences can lead to adverse health outcomes: unhealthy coping strategies and material deprivation. Health-damaging behaviours such as drinking, smoking, unhealthy eating, and physical inactivity are all associated with chronic or high stress levels (29). In addition, sustained periods of inadequate income, commonly associated with precarious work, have long been showed to be related to material and social deprivation, for example poor housing conditions, inadequate transportation, nutrition, and inability to fully participate in societal activities (social and cultural activities).

**Research implications**

Research on employment and health in recent decades has largely used models developed in the context of the ‘standard’ employment form. Researchers often used dichotomies such as permanent/temporary contract status to compare
the psychosocial and physical health outcomes of workers in different contractual arrangements (2). Models arising from and developed for such studies in the last quarter of the 20th century, for example the ‘demand-control’ and ‘effort-reward’ imbalance models, provide insight into the dynamic relationship between employment and health. Most of the research during this time, however, focused on a narrow conception of job insecurity, related strictly to the threat of perceived job loss (30). Threat of job loss may no longer be the most informative dimension when studying the health effects of workers in precarious arrangements, especially since workers’ expectations of full-time, permanent work are likely to continue to decrease as the labour force becomes increasingly flexible. Given this trend, research should now focus more on the characteristics of precarious employment that are associated with adverse health, rather than simply examining the ‘form’ of precarious work against the ‘standard’ employment form; and on population-based policy interventions that can mitigate the negative health effects of ‘non-standard’ employment (on which more below).

As an example of such a research approach, Vives and colleagues (31) recently created a multidimensional tool (Employment Precariousness Scale) in an attempt to better capture the relationship between precarious employment and health. The questionnaire focuses on contractual features (wage rate, social protection, duration of contract) and social dimensions (powerlessness, ability to exercise legal rights) of the employment relationship. Early results report a gradient between employment precariousness and poor mental health, highlighting that ‘precarious employment is not a dichotomous phenomenon and cannot be well captured by crude research categories such as standard/nonstandard employment (32).’

Other research has identified a small subgroup of workers in non-standard employment forms who have been able to benefit personally, and in terms of their health, from the flexibility of the workforce (2). Workers benefiting from employment flexibility are more likely to be there by choice, and their employment flexibility aligns with several of their personal needs and interests. These individuals, however, also tend to have greater income security and extended health benefits from a partner with full-time employment, a strong support network both at work and at home, and a skill set that is highly valued by employers. In other words, they face less structural employment insecurity (due to the skill set they possess) and other entries into adequate social protection and financial security than others in the ‘precariat’. A further investigation of the factors that are particularly associated with this group will give us greater insight regarding potential opportunities for other workers to recreate a healthy work relationship within non-standard employment forms.

Policy implications

Governments around the world have been experimenting with various mechanisms to increase flexibility while maintaining workers’ security and protection, often defined as ‘flexicurity’. The European Union in 2007 released a report that defined the components of flexicurity as: (a) flexible and reliable contractual arrangements, which help unemployed, part-time or temporary workers move into more stable contractual work; (b) comprehensive lifelong learning, which is aimed to ensure that quality education can be attained, and skill upgrading opportunities are possible; (c) effective active labour market policies, which help people get back to work through job creation and training; (d) modern social security systems, which provide an acceptable safety net for the unemployed with income, health care, and eventually pensions upon retirement (33). The Commission also reviewed current policies in place and found that flexicurity can significantly increase employment rates, and offer adequate social security protection, which can help to decrease poverty levels, although some countries allow for more flexibility with employment and do not sufficiently supplement income, which can lead to greater poverty levels and income inequality (34). Examples from the Dutch and Danish models of ‘flexicurity’ provide some insights into welfare state mechanisms that have been used to buffer or re-regulate some of the decreased protection experienced by many workers in non-standard employment (Box 1) (35).

Another example is Australia’s taxation policy that allows certain workers to defer a portion of their annual income to offset fluctuations in earnings.
Although there is evidence that economic growth in these countries has not been negatively affected by these extended welfare state provisions, it is too early to say whether this reactive approach to the inevitable increase in flexibility is sufficient to protect the health of workers in precarious arrangements over a longer term, or whether the focus should be redirected to a proactive approach to reinstate more standard employment provisions (36). Drawing lessons from the policies adopted under the New Deal to address precarity in the 1920s, this would require a rather different agenda than the current hegemonic neoliberal model of austerity and state withdrawal from the economy. Following a Keynesian-inspired approach, a first step would be to halt the austerity-driven cuts to the public sector and re-establish the sector as a leading example of stable and fair employment (37). Second, advocates need to acknowledge the importance of the ability of workers to exercise collective agency—through unions and other organizations—to create a countermovement to the neoliberal (austerity) agenda. This can be achieved by advocating for a reversal of labour policies that have been designed and implemented to undermine the collective bargaining process such as the ‘right-to-work’ legislation enacted in many American states (38). Third, public policies can also encourage better and more secure jobs through (re)establishing labour market standards (liveable minimum wage) and providing targeted tax credits to companies that invest in retraining and active labour market programs (37). There is a recurring call for a guaranteed basic income for all legal citizens within a nation state to alleviate the financial insecurity and material deprivation that many workers in precarious arrangements are experiencing, while encouraging the flexibility that employers desire (7). It is important to recognize that the macrostructural changes that have led to the proliferation of precarious work and employment relations are neither inevitable consequences of uncontrollable economic forces (e.g. neoliberal globalization), nor irreversible, but rather the direct outcome of policy choices made by governments.
A role for health promotion researchers/practitioners

We conclude by offering three future directions for health promotion researchers and practitioners. First, we encourage researchers and practitioners to collaborate in building theoretical frameworks and epidemiological models to include characteristics of precarious employment that have implications for workers’ health, within the context of contemporary labour markets (2,31). Benach and Muntaner (39) have argued that such research remains in its infancy, and that key dimensions in any such model should include the continuity of employment (temporality of contracts), vulnerability of workers (ability to negotiate with employers or rights under labour legislation), health and social protection benefits (extent of coverage), and income (with special attention to new ‘tiered’ forms of remuneration discriminating against younger or part-time over older or full-time workers). Further, such studies need to account for the increasing intersectionality of insecurity, where labour market uncertainty and precarious employment intersects with housing, income, food and social protection insecurities. Indeed, accounting for generalized insecurity may well render less relevant the issue of establishing causal direction between job insecurity and psychosocial ill health, since the same socioeconomic processes underlie the insecurities people take to work as well the insecurities of work itself. Such research should also be accompanied by qualitative studies that add depth to an understanding of the factors that are specifically inhibiting workers from experiencing a healthy work relationship.

Second, researchers and practitioners should investigate relevant policy interventions to reverse or compensate for the erosion of rights and social protection that many workers are currently experiencing. A baseline set of social protection measures can be found in the United Nations call for a ‘social protection floor’ (40) and the International Labour Organization’s ‘decent work agenda’ (41). A global database of key labour protection policies has been developed by McGill’s Institute for Health and Social Policy (http://raisingtheglobalfloor.org/), which provides a snapshot of which countries are presently doing better than others in extending such protection measures. Retrospective and prospective evaluations of these policy tools will result in a clearer direction for government, industry, and organized labour to follow to ensure that a balance is achieved between employers’ needs and workers’ rights and entitlements.

Finally, researchers and practitioners should support national and global social movements protesting the ‘austerity agenda’ now being pursued by many governments in the name of revenue scarcity and a ‘fiscal crisis.’ The reason we have an austerity agenda is that global neoliberal policies – the same ones that created the ‘precariat’ – have engendered global tax competition, dramatically reducing in absolute dollar value the share of gross domestic product captured by the public sector for social protection measures. Between 2002 and 2010 alone, the value of untaxed personal wealth globally surged from USD 24 trillion to 44 trillion (authors’ calculations based on World Bank data set); much of it stashed away in offshore financial centers (a euphemism for ‘tax havens’) (42). To return to Canada as an example: if Canada taxed at the same rate as the average of the EU 27 countries, it would raise USD 156 billion more in annual revenue (43). If the country also eliminated its tax loss to tax havens, this would add an additional USD 80 billion to its annual public budget (44). If Canada then spent at the same level as the EU 27 countries, there would be USD 208 billion more potentially going into social protection programs for the ‘precariat’. Stated bluntly, there is no scarcity in resources, only inequities in their distribution. We do not have a fiscal crisis; we have a taxation crisis.

Flexibility in labour markets will probably continue, making it imperative that we pursue a health promotion research and advocacy agenda that will put workers’ health, and that of their families, at the forefront. This does not mean abandoning the traditional remit of workplace health promotion with a focus on individual workers and their lifestyles. But a failure by health promoters to engage critically in the structural transformations of global labour markets, or to advocate for public policies that might buffer the social, economic and health inequities that these transformations have produced, is to remain on the sidelines as the world witnesses the greatest transfer of wealth and power into a small and unaccountable elite (45).
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References


